



Health Services
LOS ANGELES COUNTY

May 8, 2007

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Yvonne B. Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF DELEGATION OF DUTIES AND ASSIGNMENT
OF RIGHTS FROM WELLSRING VALUATION, LTD.,
TO HURON CONSULTING GROUP LLC., AND AMENDMENT
NO. 2 TO COUNTY AGREEMENT NO. H-207570
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to sign an Approval of Delegation of Duties, and Assignment of Rights from Wellspring Valuation, LTD., to Huron Consulting Group, LLC., substantially similar to Exhibit I.
2. Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 2 to County Agreement No. H-207570, substantially similar to Exhibit II, to extend the Agreement with Huron Consulting Group, LLC., for two additional years, effective July 1, 2007 through June 30, 2009, for the provision of asset valuation services, at a cost not to exceed \$98,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

Board approval of the recommended actions will: 1) allow Wellspring Valuation, LTD., to formally assign its rights and delegate its duties under the Agreement to Huron Consulting Group, LLC.; and 2) extend the existing agreement with Huron Consulting Group, LLC., for an additional two years, effective July 1, 2007 through June 30, 2009, to enable the Department of Health Services (DHS or Department) to continue to properly report the value of the Department's structures and other County health care facilities and their depreciation as required for various annual financial reports by Medicare, Medi-Cal, Short Doyle, and cost-based reimbursement clinics (CBRC) programs, as well as for the State of California Construction/Renovation Reimbursement Program.

FISCAL IMPACT/FINANCING:

The total estimated net County cost for the provision of asset valuation services under Amendment No. 2, effective July 1, 2007 through June 30, 2009 is \$98,000.

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

*To improve health
through leadership,
service and education.*



www.ladhs.org

Funding is included in Health Services Administration's Fiscal Year (FY) 2006-07 Final Budget, the FY 2007-08 Proposed Budget, and will be requested in FY 2008-09 as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In June 1999, the Government Accounting Standards Board issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments, which provided new requirements for the reporting of capital assets and related depreciation. Statement No. 34 became effective with FY 2001-02 reporting. With the exception of County hospitals, the required reporting data was not currently available for proper financial statement reporting of the Department's structures. In addition, Medicare, Medi-Cal, Short Doyle, and CBRC cost reporting laws and regulations also required capital assets to be reported at a historical, or appraised value, which is not a function performed by DHS.

On June 18, 2002, the Board approved a sole-source agreement with Healthcare Valuation Services for the provision of asset valuation services, effective on the date of Board approval through June 30, 2005, at a net County cost of \$320,000.

On June 24, 2003, Healthcare Valuation Services was acquired by Wellspring Valuation, LTD.

On September 21, 2004 the Board approved Amendment No. 1 to County Agreement No. H-207570 to formally assign rights and delegate duties to Wellspring Valuation, LTD., and to extend the agreement term for two years, effective date of Board approval through June 30, 2007.

On January 2, 2007 Wellspring Valuation, LTD. was acquired by Huron Consulting Group, LLC.

On February 20, 2007 the Department was notified by Wellspring Valuation LTD., that there will be no change in staff or services being offered to the County by their firm. Wellspring Valuation, LTD. is now a wholly-owned subsidiary of Huron Consulting Group, LLC.

Attachment A provides additional information.

County Counsel has approved Exhibits I and II as to form.

CONTRACTING PROCESS:

It is not appropriate to advertise amendments on the Los Angeles (L.A.) County Online Web Site as a contract/business opportunity.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended action will ensure that asset valuation services continue uninterrupted through June 30, 2009.

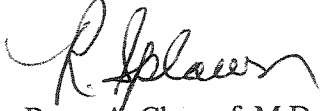
The Honorable Board of Supervisors

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When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "B. Chernof", written over a horizontal line.

Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:ev

BL Wellspring-Huron.ev.wpd

Attachment (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AGREEMENT

1. TYPE OF SERVICES:

Asset valuation services determine the cost bases and related depreciations of Department of Health Services' structures and other health care related facilities as required to properly complete various Medicare, Medi-Cal, Short Doyle, cost based reimbursement clinic programs, and State of California Construction/Renovation Reimbursement Program annual financial reports.

2. AGENCY ADDRESS AND CONTACT PERSON:

Huron Consulting Group, LLC.
123 North Wacker Drive, Suite 900
Chicago, Illinois 60606
Attention: Mr. Jim Medendorp, Director
Telephone/Facsimile: (312) 327-4376/ (313) 345-9053
Email: jmedendorp@wp-ltd.com

3. TERM:

July 1, 2007 through June 30, 2009.

4. FINANCIAL INFORMATION:

The total estimated net County cost for the provision of asset valuation services under Amendment No. 2 effective July 1, 2007 through June 30, 2009 is \$98,000.

Funding is included in the Fiscal Year (FY) 2006-07 Final Budget, the FY 2007-08 Proposed Budget, and will be requested in FY 2008-09 as needed.

5. PRIMARY GEOGRAPHIC TO BE SERVED:

Countywide.

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Helen Jew, Chief Program Audits/Reimbursement.

7. APPROVALS:

Finance: Efrain Munoz, Acting Associate Chief Financial Officer

Contracts and Grants Division: Cara O'Neill, Chief

County Counsel (approval as to form): Robert E. Ragland, Senior Deputy County Counsel

EXHIBIT II

Contract No. H-207570-2

ASSET VALUATION SERVICES AGREEMENT

AMENDMENT No. 2

THIS AMENDMENT is made and entered into this _____
day of _____, 2007,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

HURON CONSULTING GROUP, LLC.,
(here after "Contractor")

WHEREAS reference is made to that certain document entitled
"ASSET VALUATION SERVICES AGREEMENT", dated June 18, 2002, and
further identified as County Agreement No. H-207570, between the
County and Huron Consulting Group, LLC., (Contractor) and any
Amendments thereto (all hereafter "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend
Agreement to extend the term, to add new County required
provisions, and to provide for the changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in
the form of a written amendment which is formally approved and
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective on date of Board

approval and shall remain in full force and effect to, and including June 30, 2009, subject to County funding.

2. Agreement Paragraph 1, TERM, shall be revised as follows:

"1. TERM: The term of this Agreement shall commence upon Board approval and shall continue, in full force and effect, to June 30, 2005. Said Agreement shall thereafter be automatically renewed for successive one (1) year terms, for a maximum of two (2) years, without further action by the parties hereto, up to and including June 30, 2007. Should either party desire to terminate the automatic renewal of Agreement, it shall give such notice in writing to the other party by May 31 of the prior year term.

Effective July 1, 2007 the term of the Agreement shall be extended for two years commencing on July 1, 2007 through June 30, 2009, subject to the availability of County funding.

In any event, this Agreement may be canceled or terminated at any time by either party, with or without cause, upon the giving of at least thirty (30) calendar days advance written notice to the other party.

Further, County may also suspend the performance of services hereunder, in whole or in part, upon the giving of at least a thirty (30) calendar days advance written notice to Contractor. County's notice shall

set forth the extent of the suspension and the requirements for full restoration of the performance obligations.

Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, employees, agents, or subcontractors, to comply with any of the terms of this Agreement or any written directions by or on behalf of County issued pursuant hereto shall constitute a material breach hereto, and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time."

3. Paragraph 20, NOTICES:, Subparagraph "B", shall be revised in the Agreement as follows:

"B. Notices to Contractor shall be addressed as follows:

- 1) Wellspring Valuation, LTD.
C/O Huron Consulting Group
123 North Wacker Drive, Suite 900
Chicago, IL 60606
Attention: Jay Alfirevic
Managing Director

4. Agreement Exhibit "A" DESCRIPTION OF SERVICES, Paragraph 4 STATEMENT OF WORK, Subparagraph "f" and "g" shall be added as follows:

"f. Phase VI: Annual Update to Cost Bases/Depreciation for FY June 30, 2007: Contractor shall update the cost bases/depreciation for all structures listed in Attachment A for FY June30, 2007.

"g. Phase VII: Annual Update to Cost Base/Depreciation for FY June 30, 2008: Contractor shall update the cost bases/depreciation for all structures listed in Attachment A for FY June 30, 2008.

5. Agreement Exhibit "A", DESCRIPTION OF SERVICES, Paragraph:5,PAYMENT, Subparagraph A, Fee(S) Paid for Asset Valuation Services, shall be revised to read as follows:

"A. Fee(s) Paid for Asset Valuation Services: The fee(s) paid Contractor by County for all asset valuation services as described hereinabove shall be a fixed charge per project phase. New structures, whether initiated or in progress during the term of this agreement, which are located at the sites listed in Attachment A shall be considered part of Phases I-VII, and shall not be subject to additional payment under the hourly rate. If Director adds facilities sites to the project which are not listed in Attachment A, an hourly rate will be charged to County for asset valuation services for the additional sites.

The fee(s) and hourly rates to be paid Contractor by County are listed in Attachment "C-2", attached hereto and incorporated herein by reference.

6. Agreement Exhibit "A", DESCRIPTION OF SERVICES, Paragraph 5, PAYMENT, Subparagraph C, Billing and Payment, shall be revised to read as follows:

"C. Billing and Payment: Contractor shall bill DHS Administration's Program and Audits/Reimbursement Division for asset valuation services described hereinabove in accordance with the payment for fees (Attachment C-2) paid for asset valuation paragraphs hereinabove, promptly within forty-five (45) calendar days after the date on which the terms of the payment have been met.

All billings, or invoices, shall clearly reflect and provide reasonable detail of the services for which a claim is made. If Contractor is billing hourly rates, the billing should include but not be limited to, the type of service provided, name(s) of the person(s) who provided services, date(s) and hours worked, and hourly rate charged. Billings shall be prepared as described above, and forwarded to DHS Administration's Program Audits/Reimbursement Division.

7. Paragraph 12, PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:, shall be revised in the Agreement as follows:

"12. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION:

A. Contractor shall not assign its rights or delegate its duties under the Agreement, or both, whether in whole or in part, without the prior written consent of

County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on any claim under the Agreement shall be deductible, at County's sole discretion, against the claims which Contractor may have against County.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Amendment, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any

other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

8. Paragraph 17, CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM, of the Additional Provisions shall be revised as follows:

"17. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

A. Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this contract to comply with all applicable provision of law, Contractor warrants that it is now in compliance and shall during the term of this contract maintain in compliance with employment and wage

reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall Implement all lawfully served Wage and Earnings Withholding Orders or CSSD Notice of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

B. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM:

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 45 "CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM" shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which County may terminate this contract pursuant to Paragraph 27B, "TERMINATION FOR CONTRACTOR'S DEFAULT" and pursue debarment of Contractor pursuant to County Code Chapter 2.202."

9. Paragraph 27, CONTRACTOR RESPONSIBILITY AND DEBARMENT, of the Additional Provisions shall be revised as follows:

"27. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time not to exceed 3 years, and terminate this agreement or all existing contracts the Contractor may have with the County.

C. The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated any term of agreement with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation

created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicated a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

D. If there is evidence that the Contract may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the contractor shall be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the

proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

G. If a Contractor has been debarred for a period longer than five years, the Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is the best interest of the County.

H. The Contractor Hearing Board will consider a request for review of debarment determination only where (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and

includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

I. These terms shall also apply to (subcontractor/consultants)] of County Contractors.

10. Paragraph 13, HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1966, of the Additional Provisions shall be revised as follows:

"13.CONTRACTOR'S OBLIGATIONS AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 ("HIPAA"): Under this Agreement, Contractor (also known herein as "Business Associate") provides services ("Services") to County (also known herein as "Covered Entity") in which Business Associate receives, has access to, or creates, Protected Health Information and/or Electronic Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996

("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("Privacy Regulations") and the Health Insurance Reform: Security Standards ("Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 (together, the "Privacy and Security Regulations"). Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Privacy and Security Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such an contract is not in place.

Therefore, the parties agree to the following:

A. DEFINITIONS:

(1) "Disclose" and "Disclosure" means, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner Protected Health Information which is outside of Business Associate's internal operations or to other than its employees.

(2) "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Further, Electronic Media means: (a) Electronic storage media including memory devices in computers (hard drives) and any

removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (b) Transmission media used to exchange information already in electronic storage media. Transmission media includes, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile ("FAX"), and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission. The term "electronic media" draws no distinction between internal and external data, at rest (that is, in storage), as well as, during transmission.

(3) "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Further, Electronic Protected Health Information means protected health information that is: (a) transmitted by electronic media, and (b) maintained in electronic media.

(4) "Individual" means the person who is the subject of Protected Health Information and shall include a

person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

(5) "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information that (a) relates to the past, present, or future, physical or mental health, or condition of an Individual; the provision of health care to an Individual, or the past, present, or future, payment for the provision of health care to an Individual; (b) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (c) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.

(6) "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court ordered warrants; subpoenas or summons issued by a court, a grand jury, a governmental or

tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

(7) "Security Incident" means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.

(8) "Services" has the same meaning as used in the body of this Agreement.

(9) "Use" or "Uses" means, with respect to Protected Health Information, the analysis, application, employment, examination, sharing, or utilization of such information within Business Associate's internal

operations.

(10) Terms used, but not otherwise defined, in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

B. OBLIGATIONS OF BUSINESS ASSOCIATE:

(1) Permitted Uses and Disclosures of Protected Health Information: Business Associate:

a. Shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in this Paragraph's Sections, B.(3), B.(4), B.(5), B.(6), B.(7), B.(8), Subparagraph, D.(3), and Subparagraph, E.(2) of this Agreement;

b. Shall Disclose Protected Health Information to Covered Entity upon request;

c. May, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

1) Use Protected Health Information; and

2) Disclose Protected Health Information if the Disclosure is Required By Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

(2) Adequate Safeguards for Protected Health information: Business Associate:

a. Shall implement and maintain appropriate

safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

b. Effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

(3) Reporting Non-Permitted Use or Disclosure and Security Incidents: Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its officers, employees, agents, representatives, or subcontractors, but is not specifically permitted by this Agreement, as well as, effective April 20, 2005, each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to Covered Entity's Departmental Privacy Officer at 1-(800) 711-5366 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted

Use, Disclosure, or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use, Disclosure, or Security Incident to the Covered Entity's Chief Privacy Officer, at: Chief Privacy Officer; Kenneth Hahn Hall of Administration; 500 West Temple Street, Suite 525; Los Angeles, California 90012.

(4) Mitigation of Harmful Effect: Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.

(5) Availability of Internal Practices, Books and Records to Government Agencies: Business Associate agrees to make its internal practices, books, and records, relating to the Use and Disclosure of Protected Health Information, available to the Secretary of the federal Department of Health and Human Services ("DHHS") for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any

documents produced in response to such request.

(6) Access to Protected Health Information:

Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information, specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

(7) Amendment of Protected Health Information:

Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet

the requirements under 45 C.F.R. § 164.526.

(8) Accounting of Disclosures: Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of Protected Health Information made by Business Associate or its officers, employees, agents, representatives, or subcontractors. However, Business Associate is not required to provide an accounting of Disclosures that are necessary to perform the Services because such Disclosures are for either payment or health care operations purposes, or both.

Any accounting provided by Business Associate under this Subparagraph B.(8) shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Subparagraph B.(8), Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information

collected in accordance with this Subparagraph B.(8) to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

C. OBLIGATION OF COVERED ENTITY: Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

D. TERM AND TERMINATION:

(1) Term: The term of this Paragraph, shall be the same as the term of this Agreement. Business Associate's obligations under this Paragraph's subparagraph(s) B.(1) (as modified by Subparagraph D.(2)), B.(3), B.(4), B.(5), B.(6), B.(7), B.(8), Subparagraph D.(3) and Subparagraph E.(2) shall all survive the termination or expiration of this Agreement.

(2) Termination for Cause: In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

a. Provide an opportunity for Business Associate

to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;

b. Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

c. If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary of the federal DHHS.

(3) Disposition of Protected Health Information Upon Termination or Expiration:

a. Except as provided in Sub-subparagraph b. of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity or created, or received, by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of agents, representatives, or subcontractors, of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

b. In the event that Business Associate determines that returning or destroying the Protected

Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make it infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement, to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

E. MISCELLANEOUS:

(1) No Third Party Beneficiaries: Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assignees, any rights, remedies, obligations, or liabilities whatsoever.

(2) Use of Agents, Representatives, and/or Subcontractors: Business Associate shall require each of its agents, representatives, and/or subcontractors, that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent, representative, and/or subcontractor to comply with all the terms of this Paragraph.

(3) Relationship to Services Agreement Provisions: In the event that a provision of this Paragraph is contrary to another provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance with, the terms of this Agreement.

(4) Regulatory References: A reference in this Paragraph to a section in the Privacy and Security Regulations means the section as currently in effect, or may hereafter be amended.

(5) Interpretation: Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy Regulations.

(6) Amendment: The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.

11. Paragraph 34 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT, shall be added to the Additional Provisions of the Agreement as follows:

"34 .NO PAYMENT FOR SERVICES PROVIDE FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT: Contractor shall have no claim against County for the payment of any monies, or reimbursements of any kind whatsoever, for any service provided by the Contractor after

expiration or (other) termination of this Agreement, even if Contractor's provision of such services were requested by County directly. Should Contractor receive any such payment, it shall immediately notify County and shall repay or return all such funds or reimbursements to County within a reasonable amount of time. Payment by County for services rendered after expiration or termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or (other) termination of this Agreement.

12. Paragraph 35 ENTIRE AGREEMENT, shall be added to the Additional Provisions to read as follows:

"35. ENTIRE AGREEMENT: The body of this Agreement; Exhibit A, shall constitute the complete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement. In the event of any conflict or inconsistency in definition or interpretation of any word, responsibility, service, or schedule, between such other documents, such conflict or inconsistency shall be

resolved by giving precedence first to the body of this Agreement and then to such other documents according to the following priority:

A. Exhibit A

B. Attachment C, C-1, C-2.

13. As of July 1, 2007, Exhibit A, Attachment C-2 shall be added to the Agreement.

14. As of July 1, 2007, Exhibit A, attachment C-2 shall supersede and replace Exhibit A, Attachment C-1, respectively.

15. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of
Los Angeles has caused this Agreement to be subscribed by its

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Director of Health Services, and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical Officer

HURON GROUP CONSULTING, LLC.

Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
Raymond G. Fortner, Jr.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:
Department of Health Services

By _____
Cara O'Neill, Chief
Contracts & Grants Division

AMENDCD:4328.EV
ev:4/26/07